

STATUTORY AND REGULATORY PROVISIONS RELEVANT TO PUBLIC-PRIVATE PARTNERSHIPS

AUTHORITY	Thumbnail Description
10 USC 2474	<p>Requires the Military Departments to designate depot maintenance activities as Centers of Industrial and technical Excellence (CITEs), authorizes and encourages public-private partnerships, permits performance of work related to core competencies, permits use of facilities and equipment, and permits sales proceeds from public-private partnerships to be credited to depot accounts.</p> <p>Currently approved Army CITEs.</p> <ul style="list-style-type: none"> • Anniston Army Depot...Combat Vehicles (Except Bradley), Artillery, & Small Caliber Weapons • Corpus Christy Army Depot...Rotary Wing Aircrafts (Less Avionics) • Letterkenny Army Depot...Air Defense & Tactical Missile Ground Equipment (Less Missile Guidance & Control) • Red River Army Depot...Tactical Wheeled Vehicles, Small Emplacement Excavator, Bradley Fighting Vehicle Series, Multiple Launch Rocket System chassis, Patriot Missile recertifications, & Rubber products for Sustainment & support to U.S. & Allies & Agencies. • Tobyhanna Army Depot...Communications & Electronics, Avionics, & Missile Guidance & Control <p>Requested approval - awaiting Secretary of the Army action:</p> <ul style="list-style-type: none"> • Sierra Army Depot (Proposed)... Operational Project Stock, Force Provider, Large Area Maintenance Shelters, Class VIII Stocks, Bailey Bridging, Landing Mats, Logistic Support Elements, & Containerization.
10 USC 2208j	Permits depot financed through working capital funds to sell articles and services outside DOD if the purchaser is fulfilling a DOD contract and the contract is awarded pursuant to a public-private competition.
10 USC 2470	A depot-level activity of the Department of Defense shall be eligible to compete for the performance of any depot-level maintenance and repair workload of a Federal agency for which competitive procedures are used to select the entity to perform the workload.
10 USC 2667	Allows leasing of non-excess facilities and equipment.
10 USC 2208h	Supplies from a working capital funded inventory may be sold to contractors for use in performing DOD contracts. However, supplies available in inventories financed by working capital funds established under this section may be sold to contractors for use in performing contracts with the Department of Defense. Working-

	capital funds shall be reimbursed for supplies sold, services rendered, or work performed by charges to applicable appropriations or payments received in cash.
10 USC 2304e	DOD entities are excluded from participation in small business set-aside competitions.
10 USC 2539b	DOD laboratories and test facilities may sell, rent lead, or give samples, drawings and manufacturing or other information (subject to rights of third persons); sell, rent, or land government equipment or materiel for use on independent research and development projects; or make available services fro testing to any United States persons.
10 USC 4543	<p>Army working capital industrial facilities (including arsenals) may sell manufactured articles to or perform services for persons outside of DOD under certain conditions. (Extended through FY 2009 per Sec 844 of FY 2005 Defense Authorization Act)</p> <ul style="list-style-type: none"> ▪ The article is sold to a United States manufacturer, assembler, developer, or other concern - <ul style="list-style-type: none"> ○ for use in developing new products; ○ for incorporation into items to be sold to, or to be used in a contract with, an agency of the United States; ○ for incorporation into items to be sold to, or to be used in a contract with, or to be used for purposes of soliciting a contract with, a friendly foreign government; or ○ for use in commercial products; ▪ The purchaser is determined by the Department of Defense to be qualified to carry out the proposed work involving the article to be purchased; ▪ The sale is to be made on a basis that does not interfere with performance of work by the facility for the Department of Defense or for a contractor of the Department of Defense; ▪ In the case of services, the services are related to an article authorized to be sold under this section and are to be performed in the United States for the purchaser; ▪ The Secretary of the Army determines that the articles or services are not available from a commercial source located in the United States; ▪ The purchaser of an article or service agrees to hold harmless and indemnify the United States, except in a case of willful misconduct or gross negligence, from any claim for damages or injury to any person or property arising out of the article or service; ▪ The article to be sold can be manufactured, or the service to be sold can be substantially performed, by the industrial facility with only incidental subcontracting; ▪ It is in the public interest to manufacture such article or perform such service; and ▪ The sale will not interfere with performance of the military mission of the industrial facility.

22 USC 2770	The President may manufacture, procure, or sell defense articles to any United States company for incorporation into end items (and for concurrent or follow-on support) to be sold by such company either (a) on a direct commercial basis to a friendly foreign country or international organization or (b) in the case of ammunition parts, using commercial practices which restrict actual delivery directly to a friendly foreign country or international organization. In addition, the President may sell defense services in support of the sales of defense articles when the services are performed in the United States.
10 USC 4551-4555	<p>The Secretary may make any eligible facility available for the purposes of the ARMS Initiative (Ammunition Plants). Leverage private investment at eligible facilities through long-term facility use contracts, property management contracts, leases, or other agreements that support and advance the policies and purposes of this chapter, for the following activities:</p> <ul style="list-style-type: none"> ▪ Recapitalization of plant and equipment. ▪ Environmental remediation. ▪ Promotion of commercial business ventures. ▪ Other activities approved by the Secretary.
Pub Law 106-398	<p>Arsenal Support Program Initiative (ASPI)</p> <p>Secretary of the Army demonstration program during fiscal years 2001 and 2002 (has been extended to 1 Oct 2005 and again through FY 2008 per Sec 342 of the FY 2005 Defense Authorization) at each manufacturing arsenal of the Department of the Army. Purposes of the demonstration program are as follows:</p> <ol style="list-style-type: none"> (1) Provide for the utilization of the existing skilled workforce at the Army manufacturing arsenals by commercial firms. (2) Provide for the reemployment and retraining of skilled workers who, as a result of declining workload and reduced Army spending on arsenal production requirements at these Army arsenals, are idled or underemployed. (3) Encourage commercial firms, to the maximum extent practicable, to use these Army arsenals for commercial purposes. (4) Increase the opportunities for small businesses (including socially and economically disadvantaged small business concerns and new small businesses) to use these Army arsenals for those purposes. (5) Maintain in the United States a work force having the skills in manufacturing processes that are necessary to meet industrial emergency planned requirements for national security purposes. (6) Demonstrate innovative business practices, to support Department of Defense acquisition reform, and to serve as both a model and a laboratory for future defense conversion initiatives of the Department of Defense. (7) Allow the operation of these Army arsenals to be rapidly responsive to the forces of free market competition. (8) Reduce or eliminate the cost of Government ownership of these Army

	<p>arsenals, including the costs of operations and maintenance, the costs of environmental remediation, and other costs.</p> <p>(9) Reduce the cost of products of the Department of Defense produced at these Army arsenals.</p> <p>(10) Leverage private investment at these Army arsenals through long-term facility use contracts, property management contracts, leases, or other agreements that support and advance the demonstration program.</p>
FAR 45.3	Provision of government-furnished material, facilities and equipment to contractors.